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**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA**

GROUND FISH FORUM, INC.,

Plaintiff,

v.

NATIONAL MARINE FISHERIES
SERVICE, *et al.*,

Defendants.

Case No. 3:23-cv-00283-JMK

DECLARATION OF NORM PILLEN

Groundfish Forum, Inc. v. NMFS
Case No. 3:23-cv-00283-JMK

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Ex. K, p. 1

I, Norm Pillen, hereby declare as follows:

1. I am over 21 years of age and under no legal disability. The facts stated in this declaration are true and correct based on my personal knowledge and my review of business records. I give this declaration voluntarily for use in support of the motion to intervene in the above-captioned litigation filed on behalf of the Seafood Producers Cooperative and for all other purposes allowed by law.

2. I work in Bellingham, Washington and Sitka, Alaska for the Seafood Producers Cooperative (SPC). I have been a member of SPC for 39 years. I previously served two 3-year terms as a member of SPC's Board of Directors and two years as Board Chairman. I am now starting my third year as President of the company.

3. I have been involved with commercial fishing in Southeast Alaska for 52 years. I spent most of my career as an active vessel operator, working in hook and line fisheries for salmon, sablefish and halibut and operating tenders, which are vessels that move fish from remote fishing grounds to shoreside processing plants.

4. SPC is a fisherman-owned cooperative founded in 1944, initially known as the Halibut Producers Cooperative. Its founding members harvested halibut. The company expanded to other seafood products during the 1950s

and changed the company name to Seafood Producers Cooperative during the 1970s. Many of our members are part of family operations that span several generations. While all our members fish for commercial purposes, some also fish for non-commercial purposes, including for recreation and for subsistence harvests.

5. Today, SPC purchases, processes and markets high quality seafood domestically and internationally to retailers, wholesalers, and directly to consumers through our online sales program, Alaska Gold. The recent five-year average of SPC's sales is \$37.6 million, with a high of \$41 million and a low of \$33 million. SPC has approximately 360 owner/members, most of whom actively commercially fish and share in the company's profits.

6. In 1980, SPC built a seafood processing plant in Sitka, Alaska that continues to serve the local fleet and community today. The plant employs 75-80 workers for the duration of the halibut season, which lasts from March to November, and up to 100 workers during the summer, when peak production of all seafood products occurs. SPC has 8 full-time management employees and staff in Bellingham, Washington and six full-time management employees in Sitka. The company is one of Sitka's largest private-sector employers.

7. Halibut is one of SPC's most important products in terms of poundage, profit margin and popularity with customers. SPC's website

describes halibut as the world's premier whitefish because of its health benefits to consumers, appearance, superior flavor, texture and flexibility to accommodate any cooking style. A healthy halibut resource allows our members to harvest a desirable, high quality protein source for seafood consumers, benefitting our company and sustaining our members' historic way of life as commercial fishermen.

8. SPC purchases between twenty and twenty-five percent of the halibut harvested in IPHC regulatory area 2C, which is the southernmost portion of the Gulf of Alaska and is referred to as Southeast Alaska. We also purchase a significant amount of halibut from the central Gulf of Alaska, which falls in IPHC regulatory area 3A. These two areas typically produce well over half the U.S. halibut harvest. In large part because of our members and company, Sitka is typically one of the top halibut ports in Alaska in terms of ex-vessel value (i.e., the amount of earnings paid to fishermen).

9. Roughly 150 of SPC's producer/members participate in the IFQ (Individual Fishing Quota) fixed gear fisheries for halibut and sablefish. The IFQ program established participation-based fishery access rights during the 1990s to stabilize the fishery. SPC members harvest halibut mostly in IPHC regulatory Areas 2C and 3A, although some members have harvested halibut throughout multiple IPHC regulatory areas, including the Bering Sea

10. Our members, and the halibut fishing fleet as a whole, are diverse, with vessels ranging in size from skiffs to larger, wood “halibut schooners” built during the earliest days of the fishery. Most of SPC’s halibut fishermen operate community-based vessels between thirty and sixty feet long and employ between two and five crew members. Some of our fishermen have harvested halibut since the 1970s and were initial recipients of IFQs during the 1990s. Other members have entered into the fishery more recently by purchasing IFQs.

11. SPC contributes to the well-being of various Southeast Alaska fishing communities and the larger multi-regional halibut economy. Numerous businesses in Alaska and the Pacific Northwest benefit from SPC and its fishing fleet. SPC ships products through shipping lines, UPS, Federal Express, and Alaska Airlines. We pay cold storages in Bellingham, Mt. Vernon, and Seattle to store our fish. Particularly, the City of Sitka is a major beneficiary of SPC. We lease half of the city’s cold storage, manage the cold storage building, pay substantial property and raw fish taxes, and are a major user of electricity. Our revenue contributions allow the city to accomplish important infrastructure goals.

12. Most of the economic benefits of halibut fishery accrue to local communities. Most of our members are Southeast Alaska residents, so their

earnings flow through local economies year-round. Even our members who reside or homeport their vessels elsewhere, mostly in Washington State, effectively function as local Alaskan fishermen during the season, as they operate exclusively in Alaska during the summer and portions of the spring and fall. Local and non-resident halibut fishing vessels purchase supplies and support various coastal community businesses.

13. The SPC is involved in management of the halibut resource through the International Pacific Halibut Commission (IPHC). SPC is a member of the IPHC's Conference Board and Processor Advisory Board, which participates in and provides advice regarding management of the halibut resource. I am also personally involved in IPHC's management of the halibut resource. I was a chair of the Processor Advisory Board in 2024 and will be a co-chair next year. I attend annual meetings each year during which IPHC staff review the status of the halibut stock, and the IPHC sets abundance-based harvest limits for the fisheries in different areas. SPC also participates in efforts to conserve the halibut resource through its membership and contributions to other organizations working to maintain small boat access to the halibut fishery and to reduce bycatch in the Bering Sea trawl fisheries.

14. Halibut abundance has declined, particularly over the last fifteen years. In 2021, Area 2C halibut biomass levels were at some of the lowest levels

in history. Stock concerns have heightened since then, with multiple indicators of stock condition that are troubling, and an overall spawning biomass that is at the lowest levels since the 1970s.

15. Lower halibut abundance leads directly to lower revenues for our members. Near-term revenues are reduced due to cuts in harvest limits resulting from the combination of low abundance and high bycatch mortality. Future revenues are also reduced because the large number of juvenile halibut currently killed by trawl fisheries in the Bering Sea are never allowed to mature, migrate, spawn, or reach harvestable size. There are indirect harms as well. If we are not able to market and consistently deliver our signature fish, like halibut, our customers may be less likely to purchase other species offered by our members. In other words, halibut helps sell our other seafood products.

16. Current challenges in markets and values for the other species our fishermen harvest, particularly salmon and sablefish, increases our dependence on halibut to offset those challenges. SPC depends on its portfolio of products to succeed as a company, and in the context of current market conditions, halibut is our most stable and valuable product.

17. Lower halibut abundance and halibut harvests have made it more difficult for our members to support their families and to absorb the increasing costs of maintaining and operating their vessels. The declining abundance has

been particularly challenging for recent entrants into the fishery, who have taken out loans to purchase IFQs and/or to make significant investments in vessel upgrades. Due to declining abundance, these entrants are experiencing lower returns from their investments. Some members have had to sell their quotas and exit the fishery because it became economically infeasible to harvest.

18. As the halibut resource has declined, SPC and its members have become increasingly concerned about the impacts of trawl bycatch on Southeast Alaska's fisheries. In 2015, the North Pacific Fishery Management Council (NPFMC) developed measures to reduce halibut bycatch mortality in the Bering Sea. Present and past SPC Directors, as well as other SPC members, wrote comment letters and participated in NPFMC meetings in Seattle and Sitka in 2015 in support of reducing bycatch mortality. Most of our fishermen requested that the NPFMC reduce trawl halibut bycatch mortality limits in the Bering Sea by fifty percent.

19. The NPFMC instead adopted lower reductions of twenty-five percent for the Amendment 80 companies, which is a fleet of groundfish trawlers responsible for the largest quantity of halibut bycatch, and fifteen percent for other fisheries. After taking final action in June 2015 in Sitka, the NPFMC then began to consider ways to develop abundance-based bycatch

limits. During this process, SPC worked to further the development of measures that would implement abundance-based management for halibut bycatch in the Bering Sea trawl fisheries.

20. It took the NPFMC six years, from 2015-2021, to produce the final analysis and alternatives used to develop an amendment to the Fishery Management Plan implementing abundance-based halibut bycatch limits. In April and December 2021, I submitted letters on behalf of SPC in support of the NPFMC's Alternative 4, which would have implemented abundance-based limits and reduced the Amendment 80 companies' bycatch limits between 20 and 45 percent at lower levels of abundance. SPC Directors, members, and residents of Sitka and other affected Southeast Alaska communities also submitted letters and testified at NPFMC meetings. We also wrote comment letters during the National Marine Fisheries Service's parallel regulatory process in support of Alternative 4 in October 2021.

21. SPC's letters expressed strong support for abundance-based management of the halibut resource. Every directed fishery operates under an abundance-based regime. There is an urgent need at current low abundance levels to ensure that resource users with the largest bycatch volumes operate in the same manner as the directed fishery, so as to ensure that competing users are working together to protect the resource for the future.

22. SPC's letters also explained SPC's longstanding concern regarding the bycatch of juvenile halibut and the need to reduce juvenile mortality in order to rebuild the resource. Juvenile halibut migrate out of the Bering Sea, a known nursery area, to the Gulf of Alaska, where SPC members harvest halibut. If allowed to survive and mature, these fish would reach spawning age and contribute to rebuilding the stock across the coast. They would also grow to a harvestable size and over time improve our members harvests, as well as harvests by other similar situated fishermen throughout Alaska.

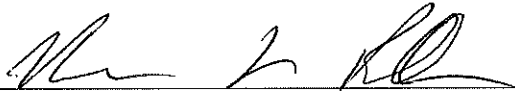
23. SPC member letters explained that the longstanding failure to link halibut bycatch limits to stock abundance has forced them to bear the brunt of the responsibility of conserving the stock. Some of our members have suffered losses of up to two-thirds of their historical harvest levels. Those who invested in halibut quota shares since the IFQ program began have seen those investments lose value.

24. If the Amendment 80 companies succeed in their efforts to avoid abundance-based management of halibut bycatch, SPC and its members, as well as the communities and businesses that benefit from SPC, will suffer significant harm. Invalidating Amendment 80 would lead to further reduction in the available resource, which is already low in abundance and in a near crisis situation. It would also impede recovery of halibut abundance by

continuing the removal of large amounts of juvenile fish. Halibut harvests by SPC and other directed fishers would remain at extremely low levels, leading to a loss in revenue for SPC and for halibut-dependent businesses that benefit from SPC.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on the 1st day of February, 2024.


Norm Pillen